

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Sears Holdings Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**NOTICE OF TENTH QUARTERLY REPORT OF
STRETTO FOR ALLOWANCE OF CONTINGENT FEES AND
REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM
OCTOBER 1, 2021 THROUGH DECEMBER 31, 2021**

NOTICE IS HEREBY GIVEN that Stretto,² as provider of preference action recovery and analysis services to the Debtors, has filed its Tenth Quarterly Report for Allowance of Contingent Fees and Reimbursement of Expenses for the Period From October 1, 2021 through December 31, 2021, seeking allowance and payment of Stretto's contingent fees in the amount of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

² On February 17, 2021, Bankruptcy Management Solutions d/b/a Stretto ("Stretto") acquired substantially all of the assets of Acumen Recovery Services, LLC ("Acumen") and assumed Acumen's engagement agreement with the Debtors.

\$695,181.16 and actual and necessary expenses in the amount of \$0.00 (the “Tenth Quarterly Report”).

NOTICE IS FURTHER GIVEN that objections, if any, to the Tenth Quarterly Report and request for allowance of Stretto’s contingent fees and reimbursement of expenses must be filed with the Clerk of the Court and served upon: (i) Stretto 7 Times Square, 16th Floor, New York, NY 10036 (Attn: Michael A. Cohen) and (ii) the Standard Parties as defined and designated in the Bankruptcy Court’s Amended Order Implementing Certain Notice and Case Management Procedures, dated November 1, 2018 (D.I. No. 405), so as to be received no later than **February 28, 2022 at 4:00 p.m. (prevailing Eastern Time)**. A hearing on the Tenth Quarterly Report shall be held only in the event timely objections are filed. In the event timely objections are filed, a hearing on the Tenth Quarterly Report and the objection(s) thereto will be scheduled and further notice of the date and time of such hearing will be provided.

NOTICE IS FURTHER GIVEN that, in the absence of any timely objection to the Tenth Quarterly Report, Katten Muchin Rosenman LLP, special counsel to the Debtors, shall file a certificate of no objection with the Bankruptcy Court, after which the fees and expenses requested in the Tenth Quarterly Report may be allowed by the Bankruptcy Court on an interim basis.

Dated: January 31, 2022

STRETTO

By: /s/ Michael A. Cohen
Michael A. Cohen
Managing Director

7 Times Square
16th Floor
New York, NY 10036
Email: michael.cohen@stretto.com

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SOUTHERN DISTRICT OF NEW YORK**

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Debtors.

Chapter 11

Case No. 18-23538 (RDD)

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**TENTH QUARTERLY REPORT OF STRETTO FOR ALLOWANCE OF
CONTINGENTFEES AND REIMBURSEMENT OF EXPENSES FOR THE
PERIOD FROM OCTOBER 1, 2021 THROUGH DECEMBER 31, 2021**

Name of Applicant:	Stretto ²
Date of Retention	June 26, 2019, <i>Nunc Pro Tunc</i> to April 1, 2019
Period for which allowance of contingent fees and reimbursement of expenses are sought:	October 1, 2021 through December 31, 2021
Amount of contingent fees sought:	\$695,181.16
Amount of reasonable and necessary expense reimbursement sought:	\$0.00
Exhibit A:	Summary of Contingency Fees and Reimbursable Expenses Sought

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

² On February 17, 2021, Bankruptcy Management Solutions d/b/a Stretto ("Stretto") acquired substantially all of the assets of Acumen Recovery Services, LLC ("Acumen") and assumed Acumen's engagement agreement with the Debtors.

1. Stretto hereby files its tenth quarterly report seeking allowance of its contingency fees and reimbursement of its actual and necessary expenses for the period from October 1, 2021 through December 31, 2021 (the “Applicable Period”) in accordance with the Bankruptcy Court’s Amended Order, dated June 26, 2019, Authorizing the Employment and Retention of Acumen Recovery Services, LLC to Provide Preference Action Recovery and Analysis Services to the Debtors, Effective *Nunc Pro Tunc* to April 1, 2019 [D.I. 4362].

2. For the Applicable Period, Stretto’s contingent fees are in the amount of \$695,181.16 and its reimbursable actual and necessary expenses are in the amount of \$0.00.

Dated: January 31, 2022

STRETTO

By: /s/ Michael A. Cohen
Michael A. Cohen
Managing Director

7 Times Square
16th Floor
New York, NY 10036
Email: michael.cohen@stretto.com

EXHIBIT A

Contingent Fee¹:	3.5% of gross recoveries of \$345,274.38:	\$12,084.60
	6.0% of gross recoveries of \$1,000,878.76	\$60,052.73
	2.5% of gross recoveries of \$25,000,000.00	\$625,000.00
	Fee adjustments ²	(\$1,956.17)

Expense Category:	Service Provider:	Cost:
Photocopy Costs	Reliable Wilmington	\$0.00
Postage	Reliable Wilmington	\$0.00
Filing Fees	Reliable Wilmington	\$0.00
Mail Processing Costs	Reliable Wilmington	\$0.00
Photocopy Costs	Toppan Merrill	\$0.00
Postage	Toppan Merrill	\$0.00
Research	Thomson Reuters	\$0.00
TOTAL:		\$0.00

¹ Pursuant to the *Order Authorizing the Employment and Retention of Acumen Recovery Services, LLC to Provide Preference Action Recovery and Analysis Services to the Debtors, Effective Nunc Pro Tunc to April 1, 2019* [Docket No. 4362], the terms of Stretto's compensation are adjusted upon clearing the Tier 2 Threshold (as defined therein) for total cash proceeds collected in connection with the Katten/Acumen Actions (as defined therein). During the Fee Period, Katten and Stretto cleared the Tier 2 Threshold. Accordingly, the fees sought herein reflect this change in compensation structure.

² The total fees sought in this Tenth Quarterly Report were reduced to reflect adjustments from previous commissions received by Stretto from the Debtors for cash proceeds that were subsequently not collected in connection with the Katten/Acumen Actions.